

**STATEMENT OF
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**SENATE APPROPRIATIONS
VA, HUD, AND INDEPENDENT AGENCIES SUBCOMMITTEE
HEARING ON
THE PRESIDENT'S FY 2003 BUDGET REQUEST**

March 20, 2002

Madam Chair and Members of the Committee, I am pleased to be here to discuss President Bush's budget request for the Environmental Protection Agency (EPA). The President's budget provides the necessary funds for the Agency to carry out our mission efficiently and effectively – to protect human health and safeguard the environment. The FY 2003 request is \$7.7 billion, which includes more than a 100 percent increase in funding for Brownfields, and significant increases for watershed protection.

I would like to begin, Madam Chair, by emphasizing that the President's budget request for EPA reflects the Agency's strong commitment to leaving America's air cleaner, its water purer, and its land better protected than it was when we took office. It promotes that goal in a manner consistent with our commitment to fiscal responsibility; by further strengthening our partnerships with state, local and tribal governments; by funding innovative new programs, and by strengthening existing programs that work.

I'd like to touch on a few of the highlights: nearly half of EPA's budget request provides funding for state and tribal programs, including almost \$3.5 billion in assistance to states, tribes and other partners. The President and I both believe that much of the innovative, creative, and effective environmental progress being made comes from state, county and local governments and our budget request supports that.

As I have traveled around the country during the past year, I've seen some really exciting programs in action. From the people of Kentucky PRIDE to the members of the Paiute Tribe in Nevada, and in countless other communities across America, the EPA is building strong partnerships for environmental progress – and the results speak for themselves. In this budget, we will build on those results to achieve even greater environmental progress.

Homeland Security

I would like to thank the appropriators for recognizing the important role EPA plays in homeland security by providing \$176M in the FY 2002 supplemental. Since September 11th, we have seen the traditional mission of our Agency – safeguarding the environment and protecting the public health – take on new meaning. We now play a critical role in preparing for and responding to terrorist incidents because of our unique expertise and experience in emergency preparedness and response to hazardous material releases. Our new role of supervising the decontamination of anthrax infected buildings has shown us that better information and new technologies are needed. To continue to do our part to ensure that the nation is prepared to respond to terrorist incidents, we are investing an additional \$124 million for homeland security.

Included in this figure is \$75 million for research in technologies for decontaminating buildings affected by bioterrorists attacks. We will provide guidance, technical expertise and support to federal, state and local governments in building contamination prevention, treatment and cleanup capabilities. Combined with resources provided in the Emergency Supplemental Appropriation Act of 2002, this represents a two-year total of \$300 million in new resources. Also included in this figure is \$20 million to address threats to the nation's drinking water supply. We, at EPA, play a significant role in working with state governments and local utilities to protect drinking water supplies. We have already begun working with states and local utilities to assess this vulnerability. The additional \$20 million being requested in FY 2003 will augment \$88 million appropriated as part of the Emergency Supplemental Appropriation Act of 2002. Together, these funds will ensure that utilities have developed a comprehensive assessment of these vulnerabilities and emergency operations plans using the most current methods and technologies.

Brownfields

Our FY 2003 budget more than doubles the funds available for brownfields reclamation by providing \$200 million. This money will allow states, tribes, and local governments to build on the work they've already done in turning thousands of neighborhood eyesores into community assets. Despite that progress, thousands of brownfields still mar America's landscape. That is going to change. Thanks to President Bush's commitment to brownfields, this money will help us get at some of the most difficult brownfields challenges that remain. Those reclaimed brownfields will provide their communities with new jobs, new places to play, and a new sense of optimism for the future.

Watershed Projects

By providing \$21 million for a new watershed initiative, our budget will target up to 20 watersheds around the country for improvement – funding that will lead to millions of gallons of purer water in the years ahead. This initiative will allow us to build on existing public-private partnerships to restore and protect up to 20 of America's most threatened watersheds. When I visited Boston last year

and saw first-hand the excellent work done by the Charles River Initiative, I knew we could use that effort as a model for other communities. I've heard a watershed defined as "communities connected by water." Well, with this initiative, we are connecting EPA with local watershed protection through the flow of federal dollars. As a result, we will help improve water quality for drinking, boating, swimming, and fishing.

National Environmental Technology Competition

Of course, underlying everything we do is our commitment to partnership. One of the most exciting new partnerships this budget seeks to build upon is our proposed National Environmental Technology Competition. Over the past 30 years, advances in technology have helped us address some of our most pressing environmental challenges. I believe technology can play an even greater role as we seek to achieve the next generation of environmental progress.

That is why we are proposing \$10 million for our National Environmental Technology Competition. This program will use competition to foster technological innovation through public-private partnerships. It will promote the development of new, cost-effective environmental technologies that will help clean the air, water, and land. For example, in

FY 2003 EPA will solicit proposals related to arsenic removal in drinking water. This work will help further EPA's commitment to help fund, through research and development, cost effective methods of arsenic removal for small systems.

Cleaner Air

Under the Clean Air Act, we continue work to make the air cleaner and healthier to breathe by setting standards for ambient air quality, toxic air pollutant emissions, new pollution sources, and mobile sources. In FY 2003, we will assist states, tribes and local governments in devising additional stationary and mobile source strategies to reduce ozone and particulate matter, and other pollutants. A key component to achieving the Clean Air Goal for all citizens is the request for over \$232 million for air grants to states and tribes. In addition, EPA will continue to build upon its voluntary government/industry partnership efforts to achieve pollution reductions and energy savings. For example, as we continue our Energy Star Labeling and Building Program efforts, our goal is to reduce the emissions of greenhouse gases by more than 40 million metric tons annually, by 2010, while saving consumers and businesses an estimated \$14 billion in net energy bill savings when using energy-efficient products.

Purer Water

Over the past three decades, our nation has made significant progress in water pollution prevention and cleanup. While we have substantially cleaned up many of our most polluted waterways, and provided safer drinking water for millions of U.S. residents, significant challenges remain. This budget request addresses the challenge to provide clean and safe water in every

American community.

- Protection from Drinking Water Contaminants. The FY 2003 request supports our coordinated efforts with the states and tribes to implement new health-based standards to control for microbial contaminants, disinfectants and their byproducts, and other contaminants.
- Drinking Water State Revolving Fund. The Drinking Water State Revolving Fund (DWSRF) request of \$850 million will provide substantial funding to states and tribes to upgrade and modernize their drinking water systems. At this funding level, EPA will eventually meet its goal of providing an average of \$500 million annually in assistance.
- BEACHES Grants. This budget includes \$10 million to support our implementation of the “Beaches Environmental Assessment and Coastal Health Act of 2000.” The money will be provided in the form of grants to states to develop local monitoring and notification programs for coastal recreation waters.
- New Watershed Investments. Our \$21 million Targeted Watershed Program is designed to support the need for additional funding for priority watershed restoration efforts. This request supports a range of water quality restoration tools to assist local communities in restoring their waterways. This Program would provide direct grants to watershed stakeholders to implement comprehensive restoration actions.
- Helping States Address Run-off and Restore Polluted Waters. The President’s FY 2003 Budget provides significant resources to states to build on successes we have achieved in protecting the nation’s waters, by providing states and tribes with grants to address polluted run-off, protect valuable wetlands, and restore polluted waterways.
- Clean Water State Revolving Fund. Our budget request includes \$1.212 billion for states and tribes for the Clean Water State Revolving Fund (CWSRF). States receive capitalization grants, which enable them to provide low interest loans to communities to construct wastewater treatment infrastructure and fund other projects to enhance water quality. This investment allows our Agency to meet the goal for the CWSRF to provide \$2 billion average in annual financial assistance over the long-term.
- Protecting Human Health along the U.S.-Mexico Border. This budget includes \$75 million for water and wastewater projects along the U.S.- Mexico Border. These resources help our Agency to address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border.

Strong Science

The FY 2003 budget supports our efforts to further strengthen the role of science in decision-making by using scientific information and analysis to help direct policy and establish priorities. EPA will achieve maximum environmental and health protections through our request of \$627 million for the Office of Research and Development to address both current and future environmental challenges. This Administration is committed to the incorporation of science into regulatory decisions by having scientists participate early and often in the regulatory development process. The budget request supports a balanced research and development program that addresses Administration and Agency priorities, as well as meets the challenges of the Clean Air Act (CAA), the Safe Drinking Water Act (SDWA), the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Food Quality Protection Act (FQPA), and other environmental statutes.

Environmental Information

In FY 2003, we will further our commitment to providing assistance to states and tribes to develop and implement the National Environmental Information Exchange Network. The goal of this program is to advance collaborative efforts to integrate environmental data between and among EPA, states and the Agency's other partners. The ability to easily exchange up-to-date, accurate information is critical to meet today's increasingly complex environmental challenges. The grant program has several components, each of which is aimed at building on the growing success of states and tribes in finding smarter alternatives to the current approaches for exchanging environmental data. The grants being offered include grants to enable states and tribes to re-engineer their environmental reporting; grants to demonstrate progress in developing a joint EPA/state National Environmental Information Exchange Network, and grants that challenge state or multi-state or tribal efforts to integrate environmental information.

As EPA works with states and tribes to develop the National Environmental Information Exchange Network, we will also continue to build and institutionalize a Central Data Exchange (CDX) – which will be EPA's focal point for securely receiving, translating, and forwarding data to EPA's data systems. In FY 2003, the CDX will service 45 states and an assemblage of 25,000 facilities, companies, and laboratories. By widely implementing an electronic reporting infrastructure, this infrastructure will reduce reliance on less efficient paper-based processes, thereby improving data quality, reducing reporting burden, and simplifying the reporting process.

Enforcement Grant Programs

Most of our nation's environmental laws envision a strong role for state governments in implementing and managing environmental programs. The FY 2003 request includes \$15 million in a new grant program to continue to support state agencies implementing authorized, delegated, or approved environmental enforcement programs. These funds will continue to afford states a greater role in the enforcement of environmental laws and regulations.

This budget request will allow our Agency to continue to support the regulated community's compliance with environmental requirements through voluntary compliance incentives and assistance programs. We will provide information and technical assistance to the regulated community through the compliance assistance program to increase its understanding of all statutory or regulatory environmental requirements. The program will also continue to develop strategies and compliance assistance tools that will support initiatives targeted toward improving compliance in specific industrial and commercial sectors or with certain regulatory requirements.

Safe Food

The FY 2003 request includes \$142.3 million to help meet the multiple challenges of the implementation of the Food Quality Protection Act (FQPA) of 1996 so that all Americans will continue to enjoy one of the safest, most abundant, and most affordable food supplies in the world. FQPA provides for the expedited registration of reduced risk pesticides to introduce alternatives to the older versions on the market. EPA implements its various authorities in a manner to ensure that farmers are able to transition – with a minimal disruption in production – to safer substitutes and alternative farming practices. Expanded support for tolerance reassessments will reduce the potential risks to public health from older pesticides. Reassessing existing tolerances promotes food safety, especially for infants and children, while ensuring that pesticides meet the most current health and safety standards. This budget request also supports FQPA-related science through scientific assessments of cumulative risk, including funds for validation of testing components of the Endocrine Disruptor Screening Program.

Summary

Taken together, the President's proposed EPA budget for FY 2003 fully supports the work of our Agency. It will enable us to transform the Agency's 30-year mission to meet the challenges of the 21st century. It brings us that much closer to realizing our goals of cleaner air for all Americans to breathe, purer water for all Americans to drink, swim and fish in, as well as safeguarding public health.

This concludes my prepared statement. I would be pleased to answer any questions that you may have.